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TAGS: [PREL](#) [AORC](#) [AMGT](#) [UNGA](#) [UNGA](#) [CH](#)
SUBJECT: PRC/UN: UN MANAGEMENT REFORM DEMARCHE DELIVERED

REF: STATE 106562

Classified By: Internal Unit Chief Kin Moy. Reasons
1.4 (b/d).

Summary

¶1. (C) China believes meaningful management reforms can be adopted before the United Nations General Assembly's (UNGA's) Fifth Committee adjourns, MFA IO Department UN Division Director Yang Tao told Poloffs on June 29 in response to Poloffs delivery of reftel points and draft resolution. China has no problems with the provisions of reftel's draft resolution and is encouraging the G-77 to show flexibility. While optimistic about a compromise reform resolution this week, Yang added that for political and historical reasons China would find it difficult to vote against a G-77 position. End Summary.

PRC Appreciates U.S. Flexibility

¶2. (C) Yang said China believes meaningful management reforms can be adopted before the Fifth Committee adjourns, adding that U.S. "flexibility" in not obstructing the UNGA vote on the budget cap creates a constructive atmosphere for adopting management reforms. China believes that, as a result, the G-77 is willing to show flexibility on proposed management reforms, Yang said.

¶3. (C) While generally optimistic, Yang cautioned that for political and historical reasons China must vote with the G-77 in instances where the positions of the G-77 and developed countries diverge. China's views are drawing ever closer to those of the United States and other developed countries, but Beijing is still committed to its ties to the G-77. China is urging the G-77 to seek consensus with developed countries rather than forcing divisive public votes. China is encouraging the G-77 to work with the United States and other key countries on management reform. Egypt, South Africa and India are generally eager to push for votes before broad consensus has been achieved. Pakistan is aware that this is not the best approach. The MFA has demarched the Egyptian, South African and Pakistani embassies three times in Beijing to urge them to seek broad consensus with developed countries before forcing votes on reform issues. The G-77 understands that if it passes resolutions in the UNGA without the backing of the major powers, the resolutions will have little merit, according to Yang.

14. (C) Yang said that as a P-5 member and the eighth biggest contributor to the UN budget, China pays as much attention to management reform as the United States does. China considers both the financial and political implications of proposed reform measures. During Kofi Annan's recent visit to Beijing, China agreed to support the management reform process. China supports the United States' "step by step" approach that focuses on issues where consensus has been achieved and creates a window for further reforms. Even if problems arise, they will not end the reform process, Yang said.

15. (C) In response to Poloff's question, Yang said China has no problem with any of the provisions of the reftel draft resolution on management reform. While the negotiation process might not be concluded until the last moment, he is still optimistic about a positive outcome, Yang said. Poloffs emphasized the importance of enacting meaningful management reforms before the Fifth Committee adjourns.

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